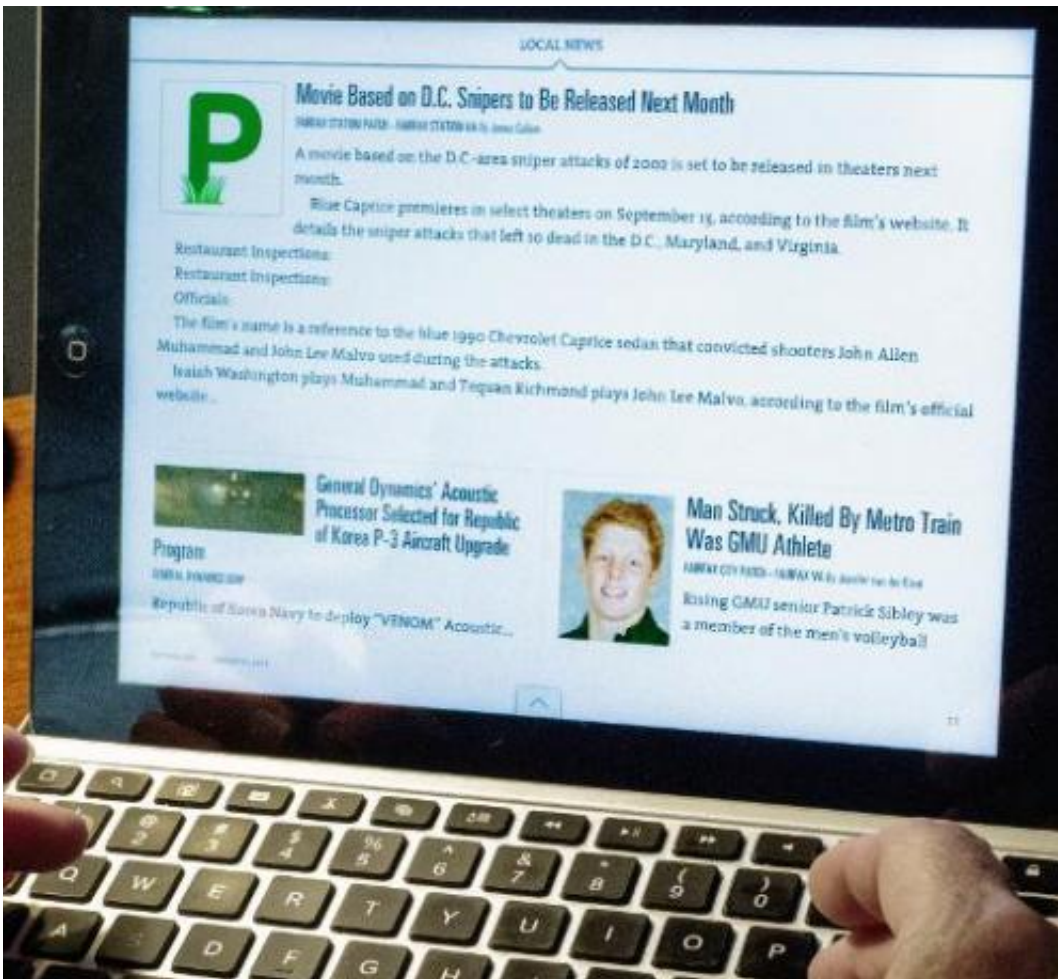


# AOL steps back from Patch with joint venture

January 15 2014



The AOL's Patch page for Fairfax, Virginia is pictured on August 21, 2013

AOL announced Wednesday it is giving up majority control of its

troubled Patch hyperlocal news operations to a partner specializing in distressed firms.

A [joint venture](#) will be formed with Hale Global as the majority owner, according to a statement from the two firms. Terms were not disclosed but AOL said it would "retain a minority interest in Patch."

A new limited liability company will operate the Patch network of some 900 local news sites, which AOL said serves more than 16 million people monthly, according to the statement.

"Patch is an important source of information for communities, and the joint venture we created has a unified mission to provide local platforms and hyperlocal content," said Tim Armstrong, chairman and chief executive of AOL.

"AOL has established leading positions in attractive scaled opportunities including video, brands, advertising and subscriptions by making bold bets and strategically investing in these high-growth opportunities—and local will be a growth space during the next decade of the Internet."

Patch has long been seen as draining cash from AOL, which is repositioning itself as a digital media company after losing its market as an Internet service provider. AOL also operates news sites such as the Huffington Post and TechCrunch.

Last year, AOL said it was consolidating operations at Patch, a move which according to some reports would eliminate as many as 500 jobs, or 40 percent of the workforce.

Charles Hale, CEO of Hale Global, said in the statement that "along with AOL, we are committed to taking the necessary steps to ensure Patch remains a vibrant part of the community."

The Hale website said the company has "a 13-year track record as a buyer and partner of choice for special situations, including bankruptcies and underperforming divestitures from corporate parents."

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